

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF OKLAHOMA**

USA REGROWTH, LLC,
SARANG, LLC,
CAPITAL CONCEPTS NORTHWEST,
LLC, MYRTLE HILL, LLC,
GHF INVESTMENTS, LLC, and
JLO INVESTMENTS, LLC

Plaintiffs,

v.

MIDAS INVESTMENTS, LLC,
CHAD BLACK, an individual,

Defendants.

Case No. CIV-19-24-HE

ANSWER OF DEFENDANTS TO PLAINTIFFS' COMPLAINT

Midas Investments, LLC (“Midas”) and Chad Back (“Black”) (collectively, “Defendants”) Answer the Complaint (Dkt. 1) of Plaintiffs, USA Regrowth, LLC (“USA”), Sarang, LLC (“Sarang”), Capital Concepts Northwest, LLC (“Capital”), Myrtle Hill, LLC (“Myrtle”), GHF Investments, LLC (“GHF”), and JLO Investments, LLC (“JLO”) (collectively, “Plaintiffs”), as follows:

Each material allegation in Plaintiffs’ Complaint, except those specifically admitted herein, is denied.

1. Defendants have insufficient information to admit or deny the factual allegations in paragraph Nos. 1, 2, 3, 4, and 5 and the same are accordingly denied¹.

¹ All paragraph numbers in this Answer refer to the corresponding paragraph numbers set forth in Plaintiffs’ Complaint.

2. Defendants admit paragraph Nos. 6 and 7.

3. Paragraphs 8, 9, 10 and 11 contain legal contentions, characterizations, and/or conclusions to which no answer is required. To the extent any of such allegations are factual, and a response is required, Defendants deny the allegations in paragraph Nos. 8, 9, 10 and 11.

4. Defendants deny the factual allegations in paragraph Nos. 12, 13 and 14.

5. Defendants deny all factual allegations in paragraph Nos. 15, 16, 17, 18, 19, 20, 21, 22, and 23.

6. Paragraph 24 contains legal contentions, characterizations, and/or conclusions to which no answer is required. To the extent any of such allegations is factual, and a response is required, Defendants deny all allegations in paragraph 24.

7. Defendants deny the factual allegations in paragraph Nos. 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35.

8. Paragraph 36 contains legal contentions, characterizations, and/or conclusions to which no answer is required. To the extent any of such allegations are factual, and a response is required, Defendants deny the allegations in paragraph 36.

9. Defendants denies Plaintiffs' Conclusion paragraph and its prayer for relief.

AFFIRMATIVE DEFENSES

Defendants reserve the right to supplement, amend and/or modify its responses and assert any additional defenses that are discovered to be appropriate and available as the course of litigation continues. In addition, Defendants state as follows:

1. The Complaint fails to state claims against Defendants upon which relief may be granted either in whole or in part.
2. Plaintiffs' claims may be prevented, in whole or in part, by the statute of limitation or laches.
3. Plaintiffs' alleged damages, in whole or in part and if any, were caused by their own acts or omissions.
4. Any injuries alleged to have been sustained by Plaintiffs resulted from one or more intervening or supervening causes.
5. Plaintiffs' alleged damages, if any, may have been caused or contributed to by the unforeseeable wrongful or negligent acts or omissions of third parties over whom Defendants held no authority and exercised no control.
6. Plaintiffs' may have unclean hands.
7. No act or failure to act by Defendants caused or contributed to any damage to Plaintiffs.
8. Defendants did not misrepresent or conceal any information.
9. Plaintiffs' claims may be barred, in whole or in part, by waiver, ratification, payment and/or release and acquiescence.

10. Plaintiffs' claims may be barred, in whole or in part, by estoppel, including but not limited to, equitable estoppel, promissory estoppel and estoppel by contract.

11. Defendants specifically deny any agency or other relationship which may render them liable to Plaintiffs.

12. Plaintiffs may have failed to mitigate their alleged damages, may have failed to take reasonable action to avoid damages, and may not be entitled to some or all of the relief they demand.

13. The Complaint fails to state a claim against Defendants upon which attorney's fees or costs can be awarded.

14. Plaintiffs may not recover damages or penalties, in whole or in part, if Plaintiffs failed to comply with conditions precedent, including applicable statutory or other notice-and-cure provisions.

15. No act or failure by Defendants is sufficient to warrant the imposition of punitive damages.

16. Plaintiffs are not entitled to punitive damages from either Defendant.

17. The punitive damages cap imposed by state law must be imposed respect to Plaintiffs' claims.

18. Plaintiffs' claim for punitive damages is or may be unconstitutional and repugnant to the Constitution of the United States of America and the Constitution of the State of Oklahoma, including but not limited to, Defendants' right to due process, right to equal protection under the law, and right to freedom from excessive fines.

19. Plaintiffs are not entitled to have matters of law tried to a jury, and the demand for a jury trial should be so limited.

20. Plaintiffs' claims, and each of them, that seek the imposition of multiple penalties and/or exemplary damages for the same basic wrongs may be unconstitutional in that such relief violates the Due Process clauses of both federal and state Constitutions.

WHEREFORE, having fully answered Plaintiffs' Complaint, Defendants pray that Plaintiffs take nothing by way of the Complaint and that Defendants be dismissed with costs and attorneys' fees awarded to Defendants, and such other relief as the Court deems just and equitable incurred in connection with this lawsuit.

DATED this 14th day of February 2019.

RUBENSTEIN & PITTS, PLLC

/s/ Terry Stokes

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CERTIFICATE OF SERVICE

I hereby certify that on February 14, 2019, I electronically transmitted the foregoing document to the Clerk of Court using the ECF System for filing and transmittal of a Notice of Electronic Filing to the following ECF registrants:

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